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Via e-filing



Mrs. Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

RE: Ex Parte No. 705, Competition in the Railroad Industry

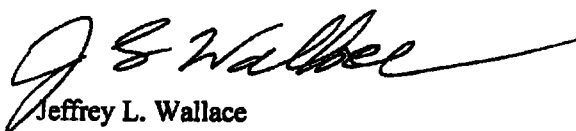
Dear Mrs. Brown:

Southern Company ("Southern") hereby submits this letter in response to the Notice issued by the Surface Transportation Board ("Board") in this docket on January 11, 2011. In the Notice, the Board invited comments and scheduled a public hearing to address "the current state of competition in the railroad industry and possible policy alternatives to facilitate more competition, where appropriate." Notice at 1.

Through its four wholly-owned utility subsidiaries (Georgia Power, Alabama Power, Mississippi Power, and Gulf Power), Southern provides more than 42,000 megawatts of electric power to 4.4 million customers. To generate a large portion of this power, Southern owns and operates numerous coal-fired electric generating stations in the Southeastern United States. Southern is a major purchaser of freight rail transportation to obtain the necessary coal and other materials for operation of these electric generating facilities. Reliable and reasonably priced rail service is vital to Southern. Southern is aware of the Joint Opening Comments filed by various shipper groups, looks forward to reviewing those comments and other comments being filed and is very interested in this proceeding.

Southern commends the Board for beginning this proceeding and thanks the Board for this opportunity to provide comments on the need for competition in the rail industry.

Sincerely,


Jeffrey L. Wallace

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